

New Mexico Public Education Department
CARES Act Internal Control and Sub-recipient Monitoring Plan and
Section C (Budget Narrative) for Ed524 Form
Funds Received May 4, 2020 - Report due July 6, 2020
July 2, 2020

From Attachment T of GAN

The SEA must submit to the Department, within 60 days of receiving ESSER funds, an initial report detailing a budget for the SEA's reservation of funds that includes information about the up to ½ of 1 percent of the SEA's total grant for administrative costs and the uses of funds for emergency needs to address issues related to COVID-19.

The Ed 524 Form will include the budget details noted above.

III. The SEA must submit to the Department, within 60 days of receiving ESSER funds:

i. An internal control plan that:

a. Identifies the management structure for implementing the ESSER Fund grant, including the key personnel responsible for managing and monitoring subrecipients;

The Student, School and Family Support Bureau (SSFS) will administer the CARES Act ESSER 90% and 9.5% flowthrough funds. This bureau administers Title I-A, Title I-D, and the Rural, Low-income Schools programs for the New Mexico Public Education Department (PED). This bureau (then known as the Title I Bureau) managed the American Recovery and Reinvestment Act of 2009 (ARRA) funds for PED. The bureau provided LEAs with a detailed guidance memo and application instructions with the release of CARES Act ESSER 90% funds.

SSFS is in the Academic Engagement & Student Success Division of PED. Gabriel Baca is SSFS Director, and Louie Torrez is the Deputy Director for the bureau. Mr. Torrez and four education administrators in SSFS are involved with review and approval of CARES Act applications, budgets, budget adjustments, requests for reimbursement (RFRs), and other monitoring activities.

The Fiscal Grants Management Bureau (FGM) will lead the direct review and approval of CARES Act budgets, budget adjustments, and requests for reimbursement. FGM is in the Administrative Services Division of PED. Susan Lucero is FGM Director, and Valerie Padilla is the Deputy Director for the bureau.

b. Identifies risks, both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks; and

In PED's monitoring of CARES Act funds, we endeavor to:

- **Focus on What Matters**
Ensure allowable uses of resources tied to approved CARES Act 90% ESSER applications, and thus help LEAs support students and staff.
- **Reduce Burden on LEAs**
Streamline monitoring requirements and prevent duplication of data requests.
- **Improve Communication with LEAs**
Continue to provide technical assistance and support through guidance documents, webinars, phone and email communication, and in-person training (per prevailing Public Health Order).
- **Differentiate and Customize our Support for LEAs**
Use a risk-based review system that affords maximum flexibility for high performing LEAs and provides tailored support based on indicated need.
- **Ensure Basic Requirements are Met**
Ensure regular review of fiscal performance to safeguard public funds from waste, fraud, and abuse.

Elements/Indicators of Risk:

- History of performance, Non-compliance, Marginal performance
- Size of award (>\$150,000). In New Mexico, 56 LEAs received an ESSER 90% Award of \$150,000 or more.
- Ability to effectively implement statutory and regulatory requirements
- Response time and accuracy of budgets and other contract items
- Response time and accuracy of RFR's
- Internal control structure of the subrecipient
- New personnel or abnormal frequency of staff turnover
- Reports, findings, and corrective actions from previous audits or monitoring

Mitigating Risks

- Targeted training delivered via Zoom or other means of communication focused on the pertinent element(s) of risk.
- Inclusion of newly identified areas of risk to be included in updates of guidance documents and universal technical assistance.

c. Describes how the Grantee will ensure the existence of primary documentation necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and Improper Payment assessments, as requested by the Department or the Department's contractor.

PED uses a web-based Sharepoint platform for the CARES Act application for Local Educational Agencies (LEAs). PED can generate reports from the platform. All LEAs uploaded a signed assurances document to the platform, which PED may access and download.

PED uses the web-based fiscal platform Operating Management Budget System (OBMS) for reviewing, approving, and adjusting LEA budgets, including CARES Act budgets. When LEAs submit RFRs, they are required to upload expenditure reports and supporting documentation before the RFRs will be approved by program (SSFS). After program review and approval, RFRs are further reviewed by FGM. FGM may request additional supporting documents before final RFR approval. All uploaded documents are archived in OBMS and may be viewed and downloaded.

ii. A subrecipient monitoring plan that addresses the Grantee's:

a. Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds;

Please see response to i(B) above.

b. Development and implementation of revised monitoring protocols; and

Please see response to i(B) above.

c. Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee's revised risk assessment.

PED will monitor programmatic and fiscal issues via desktop reviews by requiring a detailed expenditure report every time an LEA submits an RFR. Staff will compare funded activities and other expenditures against CARES Act allowable costs and the LEA's approved application. SSFS and FGM staff will request additional documentation regarding individual purchases when necessary.

Onsite monitoring will be conducted per the prevailing Public Health Order utilizing risk-based criteria describe above. If in-person visits are not possible, PED will conduct the activities below via Zoom or other platform.

Onsite monitoring activities may include interviews with district and randomly-selected non-public school staff. PED staff will review inventory lists and tracking documents for devices and equipment purchased with CARES Act funds. Interview questions with non-public school staff will explore consultation and services provided to non-public students and staff.

Section C (Budget Narrative) for Ed524 Form

- Section C (Budget Narrative), for each budget category in Section A, please provide a justification, a detailed description of allowable, reasonable and necessary costs, and address the following items: i. The use of funds for Administrative Costs. Please tell us if you are reserving funds for administrative costs and the total amount. Please describe how these funds will be used consistent with the budget categories from the Section A Table.
- ii. The clarification of the category, "Other." Please clearly identify funds used for subgrants and other items of cost in this category.
- iii. The description of Large Covered Funds. Please provide a detailed list of activities and/or projects that are budgeted for more than \$150,000.

The New Mexico Public Education Department is reserving funds for administrative costs. PED will reserve .05% of the CARES Act award amount: \$542,875.

| Budget Categories | Project Year 1 | Narrative |
|---|-------------------|--|
| 1. Personnel | 148,100 | Two FTEs. One each in the Student, School and Family Support Bureau (program) and the Fiscal Grants Management Bureau (fiscal). These FTEs will perform tasks related to the administration of CARES Act funds to include, but not be limited to reviewing and revising applications, budgets, and payment requests, monitoring program and fiscal implementation and compliance, and reporting requirements. |
| 2. Fringe Benefits | 51,900 | Fringe @ 35.04% for above FTEs. |
| 3. Travel | 0 | |
| 4. Equipment | 0 | |
| 5. Supplies | 27,712 | Supplies to support SEA staff telework |
| 6. Contractual | 250,000 | Task Force support, Special Education services, and direct support to LEAs as they reopen |
| 7. Construction | 0 | |
| 8. Other | 10,314,604 | 9.5% of CARES award. Awards to educational entities including LEAs for the following Covid-19 related purposes: Closing the Digital Divide (mobile devices, internet connectivity, professional development for online learning, and related purposes; Social and Emotional Learning supports; Supporting students with disabilities and students in need of at-risk services (during a building closure or during a transition back into the school building); PPE, building sanitization and cleaning supplies; and Other (to be determined as needs emerge during the return to school and during the school year). |
| 9. Total Direct Costs (lines 1-8) | 10,792,316 | |
| 10. Indirect Costs *Enter Rate Applied <u>18.0%</u> | 65,163 | Indirect Costs @ up to 18% of the .05% (not including line 8, Other) applicable to direct salaries and wages, supplies and up to \$25,000 for any contracts |
| 11. Training Stipends | 0 | |
| 12. Total Costs (lines 9-11) | 10,857,479 | 10% of CARES award |